

Message Text

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ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 SP-02 ICA-20 AID-05
EB-08 NSC-05 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04
SIL-01 L-03 H-02 PA-02 MMO-04 /140 W
-----017501 141855Z /43

P R 141711Z APR 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 5138
TREASURY DEPT WASHDC PRIORITY
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION GENEVA
USDOC WASHDC

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USEEC ALSO FOR EMBASSY
USOECN ALSO FOR EMBASSY
USMTN

DEPARTMENT PASS FEDERAL RESERVE BOARD

E.O. 11652: N/A
TAGS: EFIN, UK
SUBJECT: UK TRADE AND CURRENT ACCOUNT IN MARCH, 1978

1. SUMMARY: THE UNITED KINGDOM'S CURRENT ACCOUNT
IS ESTIMATED TO HAVE BEEN 164 MILLION POUNDS IN DEFICIT
IN MARCH FOLLOWING A 180 MILLION POUND SURPLUS IN
FEBRUARY. THE BALANCE ON VISIBLE TRADE DECLINED FROM
AN 80 MILLION POUND SURPLUS IN FEBRUARY TO A 264 MILLION
POUND DEFICIT.
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THESE TRADE STATISTICS ARE GENERALLY CONSIDERED
TO BE BAD. TAKEN TOGETHER WITH A LARGE, 234 MILLION
POUND DEFICIT IN JANUARY, THE CURRENT ACCOUNT SHOWS
A DEFICIT OF 218 MILLION POUNDS FOR THE FIRST QUARTER.
IT WAS WIDELY BELIEVED THAT THE QUARTER WOULD SHOW
A SIGNIFICANT SURPLUS. FOR EXAMPLE, THE NATIONAL

INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH'S FEBRUARY FORECAST POINTED TO A SURPLUS IN THE FIRST QUARTER OF 1978 OF IN EXCESS OF A HALF BILLION POUNDS.

IN MARCH THERE WERE LARGE ADVERSE MOVEMENTS IN BOTH EXPORTS AND IMPORTS, WHICH MOVEMENTS CANNOT BE ATTRIBUTED TO THE GENERALLY ERRATIC ITEMS OF SHIPS,

NORTH SEA INSTALLATION, AIRCRAFT, AND PRECIOUS STONES. TOTAL EXPORT VOLUME FELL 5.6 PERCENT WHILE TOTAL IMPORT VOLUME ROSE 5.7 PERCENT. EXCLUDING THE ERRATIC ITEMS, EXPORT VOLUME FELL 3.4 PERCENT AND IMPORT VOLUME ROSE 6.3 PERCENT. FOOD AND CHEMICAL ARRIVALS ROSE ESPECIALLY SHARPLY, CONSTITUTING PART OF THE 175 MILLION POUND INCREASE IN IMPORTS. OIL IMPORTS STOOD AT 374 MILLION POUNDS IN MARCH AND HAVE SHOWN NO TREND OVER THE LAST SIX MONTHS.

2. CURRENT ACCOUNT
(POUNDS MILLIONS, SEASONALLY ADJUSTED)
VISIBLE TRADE INVISIBLES
CURRENT VISIBLE EXPORTS IMPORTS
BALANCE BALANCE F.O.B. F.O.B. BALANCE
1977 Q3 483 54 8540 8486 429
Q4 351 45 8204 8159 306
1978 Q1 -218 -518 8454 8972 300
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1977 OCT 155 53 2756 2703 102 B
NOV 170 68 2668 2600 102 B
DEC 26 -76 2780 2856 102 B
1978 JAN -234 -334 2625 2959 100 A
FEB 180 80 2999 2919 100 A
MAR -164 -264 2830 3094 100 A

A-PROJECTIONS, SUBJECT TO REVISION AS INFORMATION BECOMES AVAILABLE.

B-ONE-THIRD OF THE APPROPRIATE CALENDAR QUARTER'S ESTIMATE; MONTHLY FIGURES OF INVISIBLES NOT AVAILABLE

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SIL-01 L-03 H-02 PA-02 MMO-04 /140 W
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3. INVISIBLES
(POUNDS MILLIONS, SEASONALLY ADJUSTED)
OF WHICH PRIVATE SECTOR &
TOTAL PUBLIC CORPORATIONS D
BALANCE CREDITS DEBITS BALANCE CREDITS DEBITS
1976 2403 14088 11685 4673 12944 8271
1977 1577 15596 14019 4273 14189 9916
1977 Q1 442 3773 3331 1112 3484 2372
Q2 400 3874 3474 1091 3574 2483
Q3 429 4000 3571 1099 3630 2531
Q4 306 3949 3643 971 3501 2530
1978 JAN 100 E)
FEB 100 E) NA NA NA NA NA
MAR 100 E)
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NA - NOT AVAILABLE
D - I.E., EXCLUDING GENERAL GOVERNMENT TRANSACTIONS AND
ALL TRANSFERS
E - SEE NOTE A OF PRECEDING TABLE.

4. EXPORT AND IMPORT UNIT VALUE AND VOLUME INDEX NUMBER
(BALANCE OF PAYMENTS BASIS)
INDICES 1975 EQUALS 10
UNIT VALUE VOLUME

(NOT SEASONALLY ADJUSTED) (SEASONALLY
TERMS ADJUSTED)

	EXPORTS	IMPORTS	OF TRADE	F	EXPORTS	IMPORT
1976	120.6	121.9	98.9	109.9	105.	
1977	142.4	141.4	100.7	118.9	107.	
L977 Q1	136.1	137.5	99.0	115.7	109.	
Q2	141.7	141.3	100.3	118.0	109.	
Q3	145.5	144.0	101.0	124.1	106.	
Q4	147.6	144.2	102.4	117.9	102.	
1978 Q1 P	149.1	142.0	105.0	121.1	114.	
1977 OCT	147.4	144.9	101.7	119.4	101.	
NOV	147.2	143.8	102.4	115.3	98.	
DEC	148.3	143.8	103.1	118.9	108.	
1978 JAN	149.1	141.4	105.4	112.6	114.	
FEB R	148.5	141.8	104.7	128.7	110.	
MAR P	149.6	142.7	104.8	121.9	117.	

P - PROVISIONAL
R - REVISED
F - EXPORT UNIT VALUE INDEX AS A PERCENTAGE OF THE IM-
PORT UNIT VALUE INDEX.

5. TRADE IN OIL H
(BALANCE OF PAYMENTS BASIS)
SEASONALLY ADJUSTED
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	POUNDS MILLIONS	POUNDS MILLIONS	
	BALANCE OF	EXPORTS	IMPORTS
	TRADE IN OIL	TOTAL	TOTAL
	F.O.B.	F.O.B.	F.O.B.
1976	- 3973	1172	5145
1977	- 2804	1965	4769
1977 Q1	- 800	454	1254
Q2	- 745	516	1261
Q3	- 602	560	1162
Q4	- 657	435	1092
1978 Q1 P	- 646	468	1114
1977 OCT	- 228	146	374
NOV	- 154	147	301
DEC	- 275	142	417
1978 JAN	- 236	149	385
FEB	- 202	153	355
MAR P	- 208	166	374

P - PROVISIONAL
H - TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Current Classification: UNCLASSIFIED
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Draft Date: 14 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LONDON05893
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Review Withdrawn Fields: n/a
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TAGS: EFIN, UK
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